

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
COUNTY OF SOMERSET
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015

BOROUGH OF BOUND BROOK SCHOOL DISTRICTS
COUNTY OF SOMERSET
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
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December 1, 2015

The Honorable President and Members
of the Board of Education
Borough of Bound Brook School District
County of Somerset, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Board of Education of the Borough of Bound Brook School District in the County of Somerset for the fiscal year ended June 30, 2015, and have issued our report thereon dated December 1, 2015.

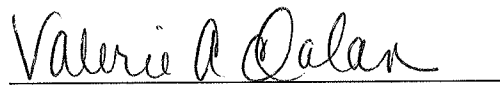
As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents. This letter does not affect our report dated December 1, 2015, on the financial statements of the Board.

We will review the status of the comments during our next audit engagement. We have already discussed these comments and suggestions with various management personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This report is intended for the information of the Borough of Bound Brook School District's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

December 1, 2015
Mount Arlington, New Jersey

NISIVOCIA LLP


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Licensed Public School Accountant #2526
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BOROUGH OF BOUND BROOK SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer, the activities of the Board of Education, the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Multi-peril insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the district's CAFR.

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Vincent McFadden	Interim Business Administrator/Board Secretary	\$ 225,000
Thomas Venanzi	Treasurer of School Moneys	225,000

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The Board made a proper adjustment to the billings to sending districts in accordance with N.J.A.C.6A:23A-3.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid on a test basis, during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation. Based on the results of our testing, we have no comments.

Payroll Account and Position Control Roster

The net salaries of employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

All payrolls were approved by the Superintendent and certified by the President of the Board and the School Business Administrator, and the Superintendent.

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the general fund.

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendent, and business administrator) to the NJ Department of Treasury was filed in a timely manner.

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015

Financial Planning, Accounting and Reporting (Cont'd)

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made on a test basis as of June 30, for proper classification of orders as reserve for encumbrances and accounts payable.

Classification of Expenditures – General and Administrative

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, we reviewed administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. As a result of the procedures performed, no errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classifications.

Board Secretary's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Board Secretary's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments.

Treasurer's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Treasurer's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments.

No Child Left Behind (N.C.L.B.)

The N.C.L.B. financial exhibits are contained within the Special Revenue Section of the District's CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I, Title II and Title III of the No Child Left Behind Consolidated Grant.

Other Special Federal and/or State Projects

The financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

The District's Special Projects were approved as listed on Schedule A and Schedule B located in the CAFR.

Our audit of the federal and state funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The State Department of Education conducted a review of several different federal grants including the Elementary and Secondary Education Act (ESEA) and the Individuals with Disabilities Education Act (IDEA). The review covered the period July 1, 2012 through September 18, 2013. A report dated February 25, 2014 included a number of findings for which the District filed a corrective action plan on April 9, 2014. The District has yet to receive notification from the Department of Education that its corrective action plan was approved.

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursements filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The T.P.A.F. Reimbursement to the State for Federal Salary Expenditures was remitted to the State of New Jersey prior to the required deadline of October 1, 2015. The reimbursement form was reviewed and no exceptions were noted.

Travel Expenses

Travel regulations require each District to adopt a formal policy and procedure pertaining to travel and expense reimbursement for its employees and board members. The regulations include requirements for the District to establish a maximum travel amount for the year and to ensure that the maximum amount is not exceeded. The regulations also require that all travel must be preapproved by the Board of Education and Superintendent and that a brief report detailing the key issues addressed at the travel event must be submitted after the travel event has occurred. Based upon the results of our testing, we have no comments.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-3 states:

a. "When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the Board of Education without public advertising for bids and bidding therefore, except that the Board of Education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c. 198 the Board of Education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Commencing in the fifth year after the year in which P.L.1999, c. 440 takes effect and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the Board of Education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.A. 18A:18A-2, and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made"

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the Board of Education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law"

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015

School Purchasing Programs (Cont'd)

Effective July 1, 2010 and thereafter, the bid threshold in accordance with N.J.S.A. 18A:18A-3 is \$26,000 and with a qualified purchasing agent the threshold may be up to \$36,000. The bid threshold for public school transportation contracts in accordance with N.J.S.A 18A:39-3 is currently \$18,300.

As per N.J.S.A. 18A:18A-3, the Board adopted a resolution authorizing the Business Administrator, who holds certification by the Department of Community Affairs as a Qualified Purchasing Agent, to administer purchasing up to the bid threshold of \$36,000 as appropriate.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Attorney's opinion should be sought before a commitment is made.

In as much as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. General compliance was noted.

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies", in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained.

School Food Service

The financial transactions and statistical records of the School Food Service Fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test basis. Food Service accounting records maintained by the District's central administration office were reconciled with the records maintained by the food service contractor.

The number of meals claimed for reimbursement was compared to sales and meal count records on a test basis. As part of the claims review process, the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal policy was reviewed for uniform administration throughout the school system. The required verification procedures for free and reduced price applications were completed and available for review.

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015

School Food Service (Cont'd)

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified on a test basis. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the Non-Profit status of the School Food Service Fund. Net cash resources did not exceed three months average expenditures.

Cash receipts and bank records were reviewed for timely deposit.

The District deposited and expended program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. The FSMC contract includes an operating results provision which guarantees that the food service program will break even. The operating results provision has been met.

Time sheets and payroll records provided to the District from the Food Service contractor were reviewed on a test basis.

Food Distribution Program commodities were received and a separate inventory was maintained on a first-in, first-out basis.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled "Proprietary Funds", Section G of the CAFR.

The District has a Type II SOC1 report (Service Organization Controls Report) of the food service management company on file as required by state requirements.

Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition of the records of the Student Activities Fund for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments.

Application for State School Aid

Our audit procedures included a test of enrollments and related services reported in the October 15, 2014 Application for State School Aid (A.S.S.A.) for on-roll, bilingual education, private schools for the handicapped, and low income. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers with some minor exceptions. The information that was included on the workpapers was verified on a test basis with exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District did maintain workpapers on the prescribed State forms or their equivalent. The District has adequate written procedures for the recording of student enrollment data.

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2014-2015 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

There are no active SDA grant projects.

Miscellaneous

Securities Exchange Commission's ("SEC") Municipalities Continuing Disclosure Cooperation Initiative

The District self-reported under the SEC's Municipalities Continuing Disclosure Cooperative Initiative as the District had failed to provide its financial information for the fiscal years ended June 30, 2009, 2010, 2011, 2012, 2013 and 2014. As the District has since filed the information as required, no formal recommendation is warranted.

Management Suggestions:

Single Audit

Effective for the fiscal year ended June 30, 2016, there will be significant changes to the Single Audit. These changes include the following:

- An increase in the single audit threshold
- Low risk auditee criteria
- Type A and B threshold
- Coverage requirements for major programs tested for both low risk and non-low risk auditees.

Additionally, the cost principles and administrative requirements such as A-87 have been consolidated under the *OMB Uniform Guidance: Cost Principles, Audit and Administrative Requirements for Federal Awards*. This guidance was effective December 26, 2014 for all new federal awards and for any additional funding for existing awards made after December 26, 2014.

Governmental Accounting Standards Board Statements:

The next Governmental Accounting Standards Board ("GASB") statement which will have a significant impact on the District will be GASB#75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, will be effective for the fiscal year ending June 30, 2018. This standard replaces GASB#45, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. It is similar to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* GASB#68 in that successful implementation of this standard will require the provision of certain key financial and non-financial information from the New Jersey Division of Pensions.

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015

Management Suggestions: (Cont'd)

Deferred Compensation Plans

The District has a fiduciary responsibility to its employees related to the deferred compensation plans offered by the District. The District should consider a periodic review of the benefits, features, costs, and performance of its deferred compensation plans and make that information available to employees to assist employees in making suitable choices for investing their retirement funds while fulfilling the District's fiduciary responsibilities.

Independent Contractors vs. Employees

The District should consider reviewing the status of "Independent Contractors" utilized by the District with Internal Revenue Service guidelines for determination of employment status. The IRS has been reviewing employers, including governments, to determine compliance. A proactive approach may help to minimize or eliminate potential penalties related to incorrect employment status determination.

Status of Prior Year's Findings/Recommendations

The prior year recommendations regarding the timely submission of the June Board Secretary and Treasurer reports to the County Superintendent and regarding the purchase orders being prepared after the invoice date were corrected in the current year. The recommendation regarding Student Activity cash receipts not being deposited timely was not fully corrected and has been included as a current year recommendation.

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
SCHEDULE OF MEAL COUNT ACTIVITY
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) CLAIM
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(MEMORANDUM ONLY)

Program	Meals Category	Meals Claimed	Meals Tested	Meals Verified	Difference	Rate	(Over)/ Underclaim
National School Lunch (Severe Needs)	Paid	39,350	17,600	17,600	- 0 -	\$ 0.30	\$ - 0 -
	Reduced	30,287	13,621	13,621	- 0 -	2.60	- 0 -
	Free	153,914	68,237	68,237	- 0 -	3.00	- 0 -
		<u>223,551</u>	<u>99,458</u>	<u>99,458</u>	<u>- 0 -</u>		<u>- 0 -</u>
National School Lunch	HHFKA: PB Lunch	13,413	13,413	13,413	- 0 -	\$ 0.06	- 0 -
School Breakfast (Severe Needs)	Paid	66,239	28,092	28,092	- 0 -	\$ 0.28	\$ - 0 -
	Reduced	31,061	13,355	13,355	- 0 -	1.63	- 0 -
	Free	149,805	63,385	63,385	- 0 -	1.93	- 0 -
		<u>247,105</u>	<u>104,832</u>	<u>104,832</u>	<u>- 0 -</u>		<u>- 0 -</u>
							\$ - 0 -

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
SCHEDULE OF NET CASH RESOURCES
FOOD SERVICE FUND
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(MEMORANDUM ONLY)

Current Assets: *	
Cash and Cash Equivalents	\$ 280,342
Intergovernmental Accounts Receivable	69,292
Other Accounts Receivable	1,420
	<u>351,054</u>
Current Liabilities: *	
Accounts Payable	\$ (67,791)
	<u>(67,791)</u>
Net Cash Resources	<u>\$ 283,263 (A)</u>
<u>Net Adjusted Total Operating Expense:</u>	
Total Operating Expenses	\$ 1,159,932
Less: Depreciation Expense	<u>(14,187)</u>
Adjusted Total Operating Expenses	<u>\$ 1,145,745 (B)</u>
<u>Average Monthly Operating Expenses:</u>	
(B) / 10	<u>\$ 114,575 (C)</u>
<u>Three Times Monthly Average Operating Expenses:</u>	
3 x (C)	<u>\$ 343,725 (D)</u>
Net Cash Resources	\$ 283,263 (A)
Less: Three Times Monthly Average Operating Expenses	<u>(343,725) (D)</u>
Exceed / (Does not Exceed)	<u>\$ (60,462) **</u>

* Inventories and unearned revenue related to donated commodities are not included in net cash resources.

** Net cash resources does not exceed three times monthly average operating expenses.

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2014

	2015-2016 Application for State School Aid						Sample for Verification					
	Reported on A.S.S.A.		Reported on Workpapers		Errors		Sample Selected from		Verified per Registers		Errors per Registers	
	On Roll		On Roll				Workpapers		On Roll		On Roll	
	Full	Shared	Full	Shared			Full	Shared	Full	Shared	Full	Shared
Half Day Preschool	71		71				71		71			
Full Day Kindergarten	156		156				156		156			
Grade One	150		150				150		150			
Grade Two	115		115				115		115			
Grade Three	106		106				106		106			
Grade Four	126		126				126		126			
Grade Five	103		103				103		103			
Grade Six	108		108				108		108			
Grade Seven	101		101				101		101			
Grade Eight	112		112				112		112			
Grade Nine	144	6	144	6			144	6	144	6		
Grade Ten	132	7	132	7			132	7	132	7		
Grade Eleven	85	5	85	5			85	5	85	5		
Grade Twelve	87	3	87	3			87	3	87	3		
Subtotal	1,596	21	1,596	21			1,596	21	1,596	21		
Special Ed - Elementary	77	1	77	1			8		8			
Special Ed - Middle School	37		37				4		4			
Special Ed - High School	75	6	75	6			8		8			
Subtotal	189	7	189	7			20		20			
Totals	1,785	28	1,785	28	-0-	-0-	1,616	21	1,616	21	-0-	-0-
Percentage Error					0.00%	0.00%					0.00%	0.00%

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2014

	Private Schools for Disabled						Resident Low Income					
	Reported on A.S.S.A. as Private Schools	Reported on Workpapers as Private Schools	Errors	Sample for Verification	Sample Verified	Sample Errors	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool												
Full Day Kindergarten							114.0	114.0		3	3	
Grade One							123.0	123.0		2	2	
Grade Two							93.0	93.0		2	2	
Grade Three							87.0	87.0		3	3	
Grade Four							101.0	101.0		2	2	
Grade Five							84.0	84.0		2	2	
Grade Six							81.0	81.0		2	2	
Grade Seven							75.0	75.0		2	2	
Grade Eight							81.0	81.0		1	1	
Grade Nine							77.0	77.0		2	2	
Grade Ten							69.0	70.0	1	1	1	
Grade Eleven							45.5	45.5		1	1	
Grade Twelve							39.5	39.5		2	2	
Subtotal							1,070.0	1,071.0	1	25	25	
Special Ed - Elementary	5.5	5	0.5	1	1		72.0	71.0	(1)	7	7	
Special Ed - Middle School	3	5	(2)	1	1		38.0	39.0	1	4	4	
Special Ed - High School	9	8	1	2	2		53.0	53.0		6	6	
Subtotal	18	18	(0.5)	4	4		163.0	163.0		17	17	
Totals	18	18	0.5	4	4	-0-	1,233.0	1,234.0	1	42	42	-0-
Percentage Error			2.78%			0.00%			0.08%			0.00%

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2014

	Resident LEP Low Income					
	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	Sample Errors
Full Day Kindergarten	34	34		2	2	
Grade One	37	37		2	2	
Grade Two	31	31		2	2	
Grade Three	25	25		2	2	
Grade Four	4	4		1	1	
Grade Five	1	1		1	1	
Grade Six	2	2		1	1	
Grade Seven	7	7		1	1	
Grade Eight	8	8		1	1	
Grade Nine	7	7		1	1	
Grade Ten	3	3		1	1	
Grade Eleven	5	5		1	1	
Grade Twelve	1	1		1	1	
Subtotal	165	165		17	17	
Special Ed - Elementary	6	6		2	2	
Special Ed - High School	1	1		1	1	
Subtotal	7	7		3	3	
Totals	172	172	-0-	20	20	-0-
Percentage Error			0.00%			0.00%

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2014

	Resident LEP Not Low Income					
	Reported on A.S.S.A. as LEP Not Low Income	Reported on Workpapers LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores and Register	Sample Errors
Half Day Preschool						
Full Day Kindergarten	3	3		1	1	
Grade One	2	2		1	1	
Grade Two	5	5		2	2	
Grade Three	1	1				
Grade Four						
Grade Five	1	1				
Grade Six	1	1		1	1	
Grade Seven	1	1				
Grade Eight	3	3		1	1	
Grade Nine	4	4		2	2	
Grade Ten	1	1				
Grade Eleven	1	1				
Grade Twelve	1	1				
Subtotal	24	24		8	8	
Special Ed - Elementary						
Special Ed - Middle School						
Special Ed - High School						
Subtotal						
Totals	24	24	-0-	8	8	-0-
Percentage Error			0%			0.00%

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

Transportation

	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	38	38		3	3	
Regular - Special Education	2	2		1	1	
Special Needs Public	25	25		2	2	
Special Needs Private	16	16		2	2	
Totals	81	81	-0-	8	8	-0-
Percentage Error			0.00%			0.00%

	Reported	Recalculated
Average Mileage - Regular Including Grade PK Students	5.02	5.02
Average Mileage - Regular Excluding Grade PK Students	5.02	5.02
Average Mileage - Special Education with Special Needs	9.50	9.50

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2015

EXCESS SURPLUS CALCULATION

Section 1 - REGULAR DISTRICT

2014-2015 Total General Fund Expenditures per the CAFR	\$ 25,630,596 (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	\$ -0- (B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ -0- (B1b)
Transfer from General Fund to Special Revenue Fund for Pre K - Regular	\$ -0- (B1c)
Transfer from General Fund to Special Revenue Fund for Pre K - Inclusion	\$ -0- (B1d)
Decreased by:	
On-Behalf TPAF Pension and Social Security	\$ 2,115,117 (B2a)
Assets Acquired Under Capital Leases	\$ -0- (B2b)
Adjusted 2014-2015 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 23,515,479 (B3)</u>
2% of Adjusted 2014-2015 General Fund Expenditures [(B5) times .02]	\$ 470,310 (B4)
Enter Greater of (B4) or \$250,000	\$ 470,310 (B5)
Increased by: Allowable Adjustment	<u>\$ 42,544 (K)</u>
Maximum Unassigned Fund Balance [(B5)+(K)]	<u><u>\$ 512,854 (M)</u></u>

Section 2

Total General Fund - Fund Balances @ 6/30/2015 (Per CAFR Budgetary Comparison Schedule C-1)	\$ 4,308,483 (C)
Decreased by:	
Year-End Encumbrances	\$ 373,903 (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ -0- (C2)
Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 224,123 (C3)
Other Restricted Fund Balances	\$ 1,671,778 (C4)
Assigned - Designated for Subsequent Year's Expenditures	\$ 1,222,795 (C5)
Assigned Fund Balance ARRA/SEMI - Unreserved - Designated For Subsequent Year's Expenditures	<u>\$ 18,493 (C5)</u>
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	<u><u>\$ 797,391 (U1)</u></u>

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2015

Section 3

Restricted Fund Balance-Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0- \$ 284,537 (E)

Recapitulation of Excess Surplus as of June 30, 2015

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures \$ 224,123 (C3)
 Restricted Excess Surplus [(E)] \$ 284,537 (E)

Total [(C3)+(E)+(F)] \$ 508,660 (D)

Detail of Allowable Adjustments

Impact Aid \$ -0- (H)
 Sale and Lease Back \$ -0- (I)
 Extraordinary Aid \$ 42,544 (J1)
 Additional Nonpublic School Transportation Aid \$ -0- (J2)
 Total Adjustments [(H)+(I)+(J1)+(J2)] \$ 42,544 (K)

Detail of Other Restricted Fund Balance

Statutory Restrictions \$ -0-
 Approved Unspent Separate Proposal \$ -0-
 Sale/Lease-Back Reserve \$ -0-
 Capital Reserve \$ 1,312,600
 Emergency Reserve \$ -0-
 Maintenance Reserve \$ 359,178
 Tuition Reserve \$ -0-
 Other State/Governmental Mandated Reserve \$ -0-
 Other Restricted Fund Balance not Noted Above \$ -0-
 Total Other Restricted Fund Balance \$ 1,671,778

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2015

It is recommended that:

1. Administrative Practices and Procedures
None
2. Financial Planning, Accounting and Reporting
None
3. School Purchasing Program
None
4. School Food Service
None
5. Student Body Activities
None
6. Application for State School Aid
None
7. Pupil Transportation
None
8. Facilities and Capital Assets
None
9. Travel Expenses
None
10. Miscellaneous
None
11. Status of Prior Year's Findings/Recommendations

The prior year recommendations regarding the timely submission of the June Board Secretary and Treasurer reports to the County Superintendent, Student Activity timely deposits and regarding purchase orders being prepared after the invoice date were corrected in the current year.